

12/15/2009



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State of Utah

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Department of  
Environmental Quality

Amanda Smith  
Executive Director

Brad T Johnson  
Deputy Director

December 15, 2009

Robert Schmidt  
EA Land Investment, L.L.C.  
c/o PEG Development  
480 West 800 North, Suite 203  
Orem, Utah 84057

Re: Enforceable Written Assurance for the Former Richard Gordon Property (also part of the Former Vermiculite Intermountain Site), EWA #047

Dear Mr. Schmidt:

This letter is issued pursuant to Utah Code Ann. Section 19-6-326 and implementing regulations in R311-600 Utah Administrative Code, concerning the real property (the "Property") that EA Land Investment, L.L.C., c/o PEG Development ("EA Land"), would like to purchase. The Property, approximately 3.4 acres, is located at 132 South 300 West in Salt Lake City, Salt Lake County, Utah, and is further defined in the legal description included in the Enforceable Written Assurance ("EWA") Application. As noted in the EWA application dated November 25, 2009, and submitted to the Utah Department of Environmental Quality ("UDEQ"), the future use of the property is a proposed hotel and associated parking structure. As further noted in the EWA application, the applicant is EA Land, which is a corporation organized for the development of this property. The UDEQ has reviewed the application and the accompanying document entitled "Phase I Environmental Site Assessment, Richard Gordon Property (former Vermiculite Intermountain Site), 100 South 300 West, Salt Lake City, Utah," dated November 2009. The UDEQ has no further questions or comments.

In the application, EA Land represents that it qualifies as a bona fide prospective purchaser as defined under the Hazardous Substance Mitigation Act and that it has satisfied the "all appropriate inquiry" requirements in 42 United States Code Section 9601(40) and Utah Code Ann. Section 19-6-302(2). EA Land's all appropriate inquiry further found that the subject Property has been the subject of multiple United States Environmental Protection Agency ("EPA") and UDEQ investigations, documents, and reports. Furthermore, the inquiry noted that as part of the Former Vermiculite Intermountain Facility-SLC 2 EPA Asbestos clean-up, asbestos containing dust was removed from the current property building and asbestos-containing soil was identified, and left in place below fill material and an asphalt paved parking lot at the Property. EA Land further represents that in January 2008, the EPA, the UDEQ, and then-current property owner LaQuinta Corporation, executed an Environmental Covenant that manages asbestos-containing soils to be left in place beneath the fill material and current asphalt paved parking lot, and also outlines protocols for the current and future Property Owners to adhere to in the event that development and/or use of the property disturbs the asbestos-containing soils. The Environmental Covenant outlines the steps to be taken by the Property Owner to ensure that the remedial action remains protective, and that neither human health nor the environment is endangered through their activities. EA Land further represents that it intends to adhere to the required Activity and Use Limitations set forth in the Environmental Covenant.

EA Land also represents that to qualify as a bona fide prospective purchaser, it will adhere to the Reasonable Steps defined in a November 18, 2009, letter, wherein the EPA outlines appropriate reasonable steps to be followed with respect to the asbestos contamination found at the Property.

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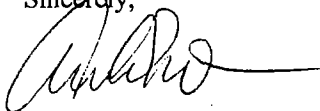
EA Land states that tetrachloroethene ("PCE") was detected in the groundwater beneath the property during a subsurface investigation in 1997. In 1999, the site became a Comprehensive Environmental Response, Compensation, and Liability Information System site, designated as the "200 South 300 West Plume." The Division of Environmental Response and Remediation began an investigation for the PCE in 2002 and in 2004 the PCE plume was issued a "No Further Remedial Action Planned" status. A reasonable step in this instance would be for EA Land to limit any future use of groundwater at the site due to the reported contamination.

This letter constitutes an EWA that no enforcement action regarding the Property will be initiated by the UDEQ against EA Land under the Utah Hazardous Substances Mitigation Act, Utah Code Ann. Section 19-6-301 *et seq.*, and that EA Land is protected from contribution and cost recovery claims as described in Section 19-6-326. This EWA is issued based on the information and representations provided in the November 25, 2009, application and supporting documentation, wherein it is stated that EA Land meets, and will continue to meet, the requirements and conditions of a Bona Fide Prospective Purchaser, as defined in Utah Code Ann. Section 19-6-302(2) and 42 U.S.C. Section 9601(40). This EWA is also issued based on EA Land's representation that it will comply with the January 2008 Environmental Covenant between the Property Owner, the UDEQ, and the EPA, and that it will adhere to the EPA's Reasonable Steps as defined in the November 18, 2009, EPA-issued letter to EA Land. Due to the reported groundwater contamination, EA Land will not access groundwater for drinking water, irrigation, or bathing purposes.

This EWA will remain in effect so long as EA Land satisfies the requirements and conditions of a Bona Fide Prospective Purchaser, as defined in Utah Code Ann. Section 19-6-302(2), the rules promulgated thereunder and 42 U.S.C. Section 9601(40), complies with the Environmental Covenant, and the November 2009 EPA Reasonable Steps letter, does not access groundwater, and pays any outstanding costs in excess of the application fee as specified in Utah Admin. Code, R311-600-13. This includes activities to stop any continuing releases, prevent any threatened future releases, and prevent or limit human, environmental, or natural exposure to earlier releases. EA Land will be billed for any outstanding costs for this EWA under separate cover.

Should you have any questions regarding this letter, please contact Elizabeth Palmer-Yeomans at (801) 536-4100.

Sincerely,



Amanda Smith  
Executive Director

cc: Gary L. Edwards, M.S., Director, Salt Lake Valley Health Department  
Vicki Bennett, Salt Lake City Corporation  
Hal J. Pos, Parsons, Behle & Latimer  
Sandra Allen, Utah Attorney General's Office  
Jpyce Ackerman, U.S. EPA Region VIII  
Elizabeth Palmer-Yeomans, Division of Environmental Response and Remediation  
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David Wilson, Environmental Resources Management